UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

E

Distr.
LIMITED

E/ECA/TRADE/41/Rev.1
20 May 1986

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

Fourth Meeting of the Intergovernmental Group of Experts on the Establishment of an African Monetary Fund

Libreville, Gabon, 16-17 June 1986

ECONOMIC COMMISSION FOR AFRICA

Conference of African Ministers of Finance on the Establishment of an African Monetary Fund

Libreville, Gabon, 17-22 June 1986

LG/NAIROBI

REVISED DRAFT ARTICLES OF AGREEMENT OF THE AFRICAN MONETARY FUND

TABLE OF CONTENTS

		Page
CHAPTER I	ESTABLISHMENT AND MEMBERSHIP	1
	Article 1 - Establishment and membership	1
CHAPTER II	OBJECTIVES AND FUNCTIONS	2
	Article 2 - Objectives	2
	Article 3 - Functions	3
CHAPTER III	CAPITAL AND OTHER RESOURCES	5
	Article 4 - Authorized capital	5
	Article 5 - Subscription of shares	6
	Article 6 - Payment of subscriptions	8
	Article 7 - Additional resources	10
	Article 8 - Ordinary capital resources	10
	Article 9 - Special Funds	11
CHAPTER IV	OPERATIONS AND TRANSPORTATIONS	12
	Article 10 - Use of resources	12
	Article 11 - Ordinary and special operations	12
	Article 12 - Methods of operation	13
	Article 13 - Limitations on operations	14
	Article 14 - Provision of currencies for loans and other financial transactions ..	14
	Article 15 - Operating principles	15
	Article 16 - Terms and conditions for financing and guarantees	17
	Article 17 - Methods of meeting liabilities of the Fund	17
	Article 18 - Commissions and fees	18
	Article 19 - Special Reserve	18
	Article 20 - Convertibility and use of currencies	19
	Article 21 - Prohibition of political activity and the international character of the Fund	20

		Page
CHAPTER V	ORGANIZATION AND MANAGEMENT	21
	Article 22 - Organs	21
	Article 23 - Board of Governors - composition, functions and procedure	21
	Article 24 - Board of Executive Directors - composition and functions	23
	Article 25 - Procedure of the Board of Executive Directors	25
	Article 26 - Managing Director - office and functions	25 26
	Article 27 - Voting	27
	Article 28 - Principal Office of the Fund	28
	Article 29 - Channel of communications and depositories	28
	Article 30 - Working languages	29
	Article 31 - Accounts and reports	29
	Article 32 - Allocation of net income	29
CHAPTER VI	GENERAL OBLIGATION OF MEMBERS	30
	Article 33 - General obligations of members	30
	Article 34 - Obligation of regional members	30
CHAPTER VII	STATUS, IMMUNITIES, PRIVILEGES AND EXEMPTIONS	31
	Article 35 - Status of the Fund	31
	Article 36 - Immunity from Judicial Process and other Actions	31
	Article 37 - Immunities and privileges of officers and employees	32
	Article 38 - Exemptions from taxation	33
	Article 39 - Application	34
CHAPTER VIII	CO-OPERATION WITH OTHER ORGANIZATIONS	34
	Article 40 - Co-operation with other organizations	34
CHAPTER IX	REGULATIONS	34
	Article 41 - Power to make regulations	34

		Page
CHAPTER X	INTERNATIONAL AND SETTLEMENT OF DISPUTES	35
	Article 42 - Interpretation	35
	Article 43 - Settlement of Disputes	35
CHAPTER XI	WITHDRAWAL AND SUSPENSION OF MEMBERSHIP	36
	Article 44 - Withdrawal from membership	36
	Article 45 - Suspension of membership	36
	Article 46 - Settlement of accounts upon withdrawal or suspension of membership	37
CHAPTER XII	TERMINATION OF OPERATIONS OF THE FUND	39
	Article 47 - Termination of operations	39
	Article 48 - Liability of members and payment of claims	39
	Article 49 - Distribution of assets	40
CHAPTER XIII	AMENDMENTS	41
	Article 50 - Amendment of the Agreement	41
CHAPTER XIV	FINAL PROVISIONS	42
	Article 51 - Entry into force	42
	Article 52 - Commencement of operations	42
	Article 53 - Depositary	44
	SCHEDULE A - ALLOCATION OF SUBSCRIPTIONS	48
	SCHEDULE B - PROCEDURES FOR THE ELECTION OF EXECUTIVE DIRECTORS 49	

CHAPTER I

ESTABLISHMENT AND MEMBERSHIP

ARTICLE I

Establishment and membership

1. There is hereby established the African Monetary Fund (hereinafter referred to as "the Fund").

2. [Membership of the Fund shall be open to the following:

(a) All independent African States, namely: Algeria, Angola, Benin Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Cote d'Ivoire, Djibouti, Egypt, Equatorial Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zaire, Zambia and Zimbabwe.

(b) Any other African country that attains the status of sovereign independence;

(c) Non-regional countries and institutions which subscribe to the capital and become members of the Fund under the terms and conditions to be determined by the Board of Governors.

3. The Member States of the Fund shall be the African States set out in subparagraph (a) of paragraph 2 of this Article that sign, ratify or accede to this Agreement.]

Alternate formulation

Paragraphs 2 and 3 of Article 1 above were referred to the Ministers for decision. However, it is proposed that in the event these paragraphs are not accepted, the following paragraphs 2 and 3 might be considered as alternative to paragraphs 2 and 3 of Article 1:

[Membership of the Fund shall be open to all independent African States (hereinafter referred to as "the Regional Member States"). The original members of the Fund shall be those African countries duly represented at the Conference of Plenipotentiaries on the Establishment of the Fund whose governments acquire membership in accordance with paragraph 2 of Article 51 of this Agreement.

3. Membership shall be open to countries outside the African Region (hereinafter referred to as "Non Regional Members") and international organizations at such times and in accordance with such terms as may be prescribed by the Board of Governors.]

CHAPTER II

OBJECTIVES AND FUNCTIONS

ARTICLE 2

Objectives

It shall be the objectives of the Fund to promote co-operation and development in all fields of monetary and financial affairs of the Regional Member States with a view to raising the standard of living of their peoples, to faster closer relations among the Regional Member States and to contribute to the progress and development of the African continent. In particular the Fund shall:

(a) assist in the reduction of the deficits in the balance of payments of the Regional Member States and facilitate the implementation of programmes designed to restructure and adjust their economies;

(b) promote the expansion of balanced intra-African trade as a means of contributing to the economic and social development of African countries;

(c) promote monetary and financial co-operation among African countries with a view to facilitating the achievement of economic integration;

(d) act as a Pan-African forum for consultation, co-ordination and the taking of collective action with respect to monetary and financial issues; and

(e) promotion of the stability of African currencies and orderly exchange rate systems in Africa.

ARTICLE 3

Functions

In order to achieve the objectives set out in Article 2 of this Agreement, the Fund shall:

(a) provide [short-term and medium-term] 1/ financing and credit facilities to the Regional Member States in order to assist them to finance their overall balance of payments deficits and to implement programmes designed to restructure and adjust their economies;

(b) provide [short-term and medium-term] 2/ financing and credit facilities to the Regional Member States in order to assist them to finance their balance of payments deficits arising from intra-African trade transactions;

(c) undertake measures designed to promote the stability and convertibility with each other, of the currencies of the Regional Member States;

1/ It may not be desirable to limit by statute the flexibility of the Fund in the provision of credit facilities and it would be preferable to leave the provision of short-, medium or long-term credit facilities to internal bye-laws of the Fund, having regard to peculiar African problems.

2/ See footnote 1 above.

(d) mobilize the resources necessary, from within and outside Africa, for the fulfillment of its objectives;

(e) act as a depository for the foreign reserves and gold of its members, acquire gold and securities on behalf of the members and maintain, sell or otherwise dispose of such gold and securities as may be decided from time to time by the Board of Executive Directors;

(f) provide information to the Regional Member States on alternative sources, including bilateral and multilateral sources, of loans and credits and other forms of funding for balance-of-payments deficit financing and the implementation of programmes designed to restructure and adjust their economies and, where appropriate, guarantee such loans, credits and other forms of financing;

(g) establish, accept, hold and manage any other funds entrusted to it for the benefit of the Regional Member States, by Regional Member States, Non-Regional Member States or any other States or organizations;

(h) undertake research, analysis and studies on the economic and social conditions of the Regional Member States, programmes intended to encourage monetary and financial co-operation among the Regional Member States and on matters that would promote the achievement of the objectives of the Fund;

(i) provide facilities for the development of the technical and managerial skills with respect to fiscal, monetary, currency and taxation politices and central banking as may be required by the Regional Member States;

(j) take appropriate measures to enhance the development of capital and money markets in the African region;

(k) conduct periodic consultations with the Regional Member States on their economies, particularly on monetary, exchange rates, exchange control and fiscal policies pursued by the Regional Member States with a view to, inter-alia, promoting co-operation among the Regional Member States in these areas;

(l) provide credit and other facilities for the promotion of intra-African trade; and

(m) perform such other functions as may from time to time be required under this Agreement for the achievement of its objectives.

CHAPTER III

CAPITAL AND OTHER RESOURCES

ARTICLE 4

Authorized capital

1. The initial authorized capital of the Fund shall be two billion (2,000,000,000) African Units of Account (AUA). It shall be divided into twenty thousand (20,000) shares of a par value of one hundred thousand (100,000) AUA; each share shall be available for subscription by members of the Fund in accordance with the provisions of Article 5 of this Agreement.

2. Unless otherwise decided by the Board of Governors, the African Unit of Account shall be equivalent to one Special Drawing Right of the International Monetary Fund.

3. The initial authorized capital of the Fund shall be divided into paid-in shares and callable shares. The equivalent of five hundred million (500,000,000) AUA shall be the paid-in portion of the amount to be subscribed by the Regional Member States. [The equivalent of two hundred fifty million (250,000,000) AUA shall be the paid-in portion of the amount to be subscribed by the members of the Fund

other than the Regional Member States 3/]. The total number of shares available for subscription should be such that, if fully subscribed, would result in the Regional Member States holding two-thirds of the total voting power and the other members of the Fund holding one-third of the total voting power.

4. The authorized capital of the Fund may be increased by a resolution of the Board of Governors approved by a vote representing an eighty-five per cent majority of the total voting power of the members of the Fund.

5. Any increase in the authorized capital of the Fund shall be allocated for subscription to Regional Member States and other members of the Fund in such proportions that the respective groups shall have available for subscription that number of shares which, if fully subscribed, would result in the Regional Member States holding two-thirds of the total voting power and the other members of the Fund holding one-third of the total voting power.

ARTICLE 5

Subscription of shares

1. Each Regional Member State shall subscribe to shares of the authorized capital of the Fund on the basis of a formula determined by the Board of Governors from time to time; provided that no Regional Member State shall be required to subscribe less than 1 per cent or more than 10 per cent of the total authorized capital reserved exclusively for the Regional Member States.

2. Member of the Fund other than the Regional Member States, shall subscribe to the shares of the capital of the Fund in accordance with a formula to be determined by the Board of Governors from time to time (see Schedule A to this Agreement, on Allocation of Subscriptions).

3/ The issue of non-regional participation in the Fund was referred to the ministers for decision.

3. The initial subscriptions of the members of the Fund other than the Regional Member States to the authorized capital of the Fund shall be determined by the Fund but no subscriptions shall be authorized which would have the effect of reducing at any time, the percentage of capital held by the Regional Member States below 66.67 per cent of the total subscribed capital.

4. If the authorized capital of the Fund is increased the following provisions shall apply:

(a) subject to the provisions of this Article, subscriptions to any increase of the authorized capital shall be subject to such terms and conditions as the Fund shall determine;

(b) the Regional Member States shall subscribe to the increased capital in accordance with the criteria laid down by the Board of Governors for making initial capital allocations;

(c) each member of the Fund other than a Regional Member State, shall be given a reasonable opportunity to subscribe to a proportion of the increase of capital equivalent to the proportion which its capital therefor subscribed bears to the total subscribed capital immediately prior to such increase:

Provided that: (i) no such member shall be obliged to subscribe to any part of an increase of capital;

(ii) the provisions of sub-paragraphs (b) and (c) of this paragraph shall not apply in respect of any increase or portion of an increase in the authorized capital which is intended solely to give effect to determinations by the Fund under paragraph 3 of this Article; and

(iii) subscriptions shall be restricted proportionately to the extent necessary to ensure that at any time the percentage of capital held by the Regional Member States remains not less than 66.67 per cent of the total subscribed capital.

5. Shares shall not be pledged or encumbered in any manner whatsoever and they shall be transferrable only to the Fund.

6. The liability of the members of the Fund on shares shall be limited to the unpaid portion of the issue price of the shares.

7. No member of the Fund shall be liable by reason only of its membership of the Fund, for obligations of the Fund.

ARTICLE 6

Payment of subscriptions

1. Payment of the amount to be initially subscribed to the paid-in capital of the Fund shall be made by the Regional Member States in five instalments.

2. The first instalment shall be 40 per cent of the paid-in capital due from Regional Member States which shall be paid within eighteen months of the entry into force of this Agreement.

3. The remainder of the paid-in capital shall be payable in four equal instalments each twelve months beginning from the end of the eighteen months referred to in paragraph 2 of this Article.

4. The payment of the instalments to the initial subscribed paid-in capital shall be made in 4/

4/ The currency of payment was referred to the Ministers for final decision. See Report of the Third Meeting of the Intergovernmental Group of Experts from Ministries of Finance, Central Banks and Legal Departments on the Establishment of an African Monecary Fund (Doc. No. E/ECA/CM.12/32).

5. Except for the first instalment, the Regional Member States shall make payment of subsequent instalments by crediting an account designated for that purpose by the Fund.

6. Payment of the amount subscribed on callable share of the capital of the Fund shall be subject to call, on the recommendation of the Board of Executive Directors to the Board of Governors as and when the amount thereof shall be required by the Fund;

(a) to repay moneys raised by the Fund in capital markets, borrowed or otherwise acquired by the Fund for the purpose of making or participating in direct loans;

(b) to pay or repay any loan or loans guaranteed in whole or in part by the Fund in furtherance of its objectives; and

(c) for any other need or needs as the Board of Governors may deem fit.

7. In the event of a call being made in terms of paragraph 6 of this Article payment may be made as decided by the Fund in convertible currency or in the currency required to discharge the obligations of the Fund for the purposes of which the call is made. Calls on unpaid subscriptions shall be uniform in percentage on all callable shares.

8. The Fund shall determine the place for any payment of subscriptions; provided that, until the first meeting of its Board of Governors, the payment of the first instalment referred to in paragraph 1 of this Article shall be made to the Executive Secretary of the United Nations Economic Commission for Africa (hereinafter referred to as "the Executive Secretary"), as Trustee for the Fund.

Article 7

Additional resources

The Fund shall have the power to borrow funds in the manner the Board of Executive Directors may deem appropriate to achieve the objectives of the Fund. In this regard, the Fund may:

(a) obtain lines of credit or loans;

(b) observe in its borrowing operations, the debt equity ratio of 1 to 1;

(c) seek the co-operation of other financial institutions for co-financing; and

(d) accept deposits from any State or institutions in currencies and on conditions to be determined by the Board of Executive Directors.

ARTICLE 8

Ordinary capital resources

In this Agreement, the term "ordinary resources" of the Fund shall include:

(a) the authorized capital of the Fund subscribed pursuant to the provisions of Article 4 of this Agreement;

(b) funds raised by borrowing of the Fund, by virtue of the powers conferred by Article 7 of this Agreement, to which the commitment calls provided for in paragraph 6 of Article 6 of this Agreement applies;

(c) funds received in repayment of loans or guarantees made with the resources specified in paragraphs (a) and (b) of this Article and income derived from such lending and guaranteeing operations;

(d) any other funds or income received by the Fund which do not form part of its special funds referred to in Article 9 of this Agreement.

ARTICLE 9

Special Funds

1. The Fund may establish, be entrusted with or accept the administration of Special Funds from such sources as it considers appropriate which are designed to promote the objectives of the Fund on such terms and conditions as are consistent with the purposes, operation and policies of the Fund and which will not impose undue administrative or financial burden on the Fund.

2. Special Funds referred to in paragraph 1 of this Article shall be used in such manner and upon such terms and conditions as are not inconsistent with the objectives of the Fund and the agreement under which such funds are established or accepted by the Fund for administration.

3. The Board of Governors shall make such regulations as may be necessary for the administration and use of each Special Fund. Such regulations shall be consistent with the provisions of this Agreement, other than those provisions which expressly relate only to the ordinary operations of the Fund.

4. The term "Special Funds" as used in this Agreement shall refer to the resources of any Special Fund and shall include:

(a) funds accepted by the Fund in any Special Fund;

(b) funds repaid in respect of loans or guarantees financed from any Special Fund which under the regulations of the Fund covering that Special Fund, are received by such Special Fund;

(c) income derived from operations of the Fund by which any of the resources or funds referred to in sub-paragraphs (a) and (b) of this Article are used or committed if under the regulations of the Fund covering the Special Fund concerned, that income accrues to such Special Fund; and

(d) any other resources at the disposal of any Special Fund.

CHAPTER IV

OPERATIONS AND TRANSACTIONS

ARTICLE 10

Use of resources

The resources and facilities of the Fund shall be used with adequate safeguards for the benefit of the Regional Member States and to fulfil the objectives of the Fund as set out in Article 2 of this Agreement.

ARTICLE 11

Ordinary and special operations

1. The operations of the Fund shall consist of ordinary operations and special operations.

2. The ordinary operations shall be those financed from the ordinary capital resources of the Fund referred to in Article 8 of this Agreement, special operations shall be those financed from the Special Funds referred to in Article 9 of this Agreement.

3. The ordinary capital resources and the Special Funds of the Fund shall at all times and in all respects be held, used, committed, invested or otherwise disposed of entirely separately from each other.

4. The ordinary capital resources shall not be charged with or used to discharge losses or liabilities arising out of special operations of the Fund for which the Special Funds were originally used or committed.

5. The Special Funds shall not be charged with or used to discharge losses or liabilities arising out of ordinary operations of the Fund for which ordinary capital resources were originally used or committed.

6. Expenses relating directly to ordinary operations and special operations shall be charged to ordinary capital resources and Special Funds respectively. Any other expenses shall be charged as the Fund shall determine.

ARTICLE 12

Methods of operation

1. Subject to the conditions set out in this Agreement, the Fund may provide or facilitate financing to the Regional Member States, acting through their Ministries of Finance, Central Banks or other approved institutions, in any of the following ways:

(a) by making or participating in direct loans or granting credits with its unimpaired paid-in capital and, except in the case of its Special Reserve as defined in Article 19 of this Agreement, with its reserves and undistributed surplus or with its unimpaired Special Funds.

(b) by guaranteeing, in whole or in part, loans or credits made or granted by others for the purpose of achieving the objectives of the Fund.

(c) by guaranteeing, in whole or in part, loans made by others for the purpose of achieving the objectives of the Fund.

2. The provisions of this Agreement applying to direct loans or credits which the Fund may make or grant pursuant to sub-paragraphs (a) and (b) of paragraph 1 of this Article shall also apply to the participation by the Fund in any direct loan or credit made or granted pursuant to these sub-paragraphs. Equally, the provisions of this Agreement applying to guarantees of loans or credits made or granted by the Fund under sub-paragraph (c) of paragraph 1 of this Article shall apply where the Fund guarantees part of such a loan only.

ARTICLE 13

Limitations on operations

1. The total amount outstanding on loans and guarantees made by the Fund in its ordinary operations shall not at any time exceed three times the total amount of its unimpaired subscribed capital, reserves and surplus included in its ordinary capital resources, excluding the Special Reserve and any other reserves not available for ordinary operations.

2. The total amount outstanding in respect of the special operations of the Fund relating to any Special Fund shall not at any time exceed the total amount of the unimpaired special resources appertaining to that Special Fund.

3. In the case of guarantees given by the Fund in the course of its ordinary operations, the total amount guaranteed shall unless the Board of Governors otherwise decide, not exceed 10 per cent of the aggregate amount of the unimpaired paid-in capital of the Fund actually paid up at any given time together with the reserves and surplus included in its ordinary capital resources excluding the Special Reserve.

ARTICLE 14

Provision of currencies for loans
and other financial transactions

In making loans or in undertaking other financial transactions, the Fund may provide financing in the following ways:

(a) by furnishing the borrower with currencies other than the currency of the Regional Member State which is to benefit from the financing, and which are needed by the Regional Member State to meet foreign exchange costs; or

(b) by providing, where possible, local currency but not exceeding a reasonable portion of the total expenditure to be incurred by the Regional member State.

ARTICLE 15

Operating principles

In as much as the provision of financing and credit facilities to the Regional Member States to assist them to finance their overall balance of payments deficits including those arising from trade transactions between them, constitutes the main objective of the Fund, the Regional Member States shall be granted such financing and credit facilities in accordance with the following principles:

(a) the size, terms and conditions of individual financing shall be determined by the Board of Executive Directors taking into account the type of programme to be financed and the overall deficit in the balance of payments and special economic circumstances of the Regional Member State concerned;

(b) the Fund shall so conduct its operations as to earn a reasonable return on its capital and other resources;

(c) the Fund shall not undertake any operation in the territory of any Regional Member State if that Regional Member State objects to such operation;

(d) in considering an application for financing or guarantee, the Fund shall pay due regard to the volume of borrowing by the borrower from the Fund in relation to its paid-up subscription and to the ability of the borrower to obtain finance or facilities elsewhere on terms and conditions that the Fund considers reasonable for the recipient, taking into account all relevant factors;

(e) in providing financing or guarantee, the Fund shall pay due regard to the prospects that the borrower and its guarantor, if any, will be able to meet their obligations under the loan contract;

(f) in providing financing or guarantee on concessionary terms and conditions, the Fund shall endeavour to grant more favourable terms and conditions if the financing or guarantee relates to deficits in the balance of payments of a Regional Member State resulting from intra-African trade transactions;

(g) in the case of financing by the Fund, the Regional Member State concerned shall be permitted by the Fund to draw funds only to meet expenditures as they fall due;

(h) the Fund shall take all necessary measures to ensure that the proceeds of any financing or guarantee provided by the Fund are used only for the purposes for which the financing or guarantee was provided and with due attention to considerations of economy and efficiency and, where such financing or guarantee is for the financing of an overall balance of payments deficit, the Fund and the Regional Member State concerned shall agree on a programme of specific measures to reduce and eliminate the deficit in its balance of payments;

(i) the Fund shall ensure that every financing or guarantee contract entered into by it shall enable the Fund to exercise all necessary powers of entry, inspection and supervision of operations and specific measures in connection with the programme or project and to require the Regional Member State concerned to provide information and to allow inspection of its books and records during such time as any part of the financing remains outstanding and for a reasonable period thereafter.

ARTICLE 16

Terms and conditions for financing and guarantees

1. A contract of financing or guarantee shall establish in conformity with this Agreement, the terms and conditions of the financing or the guarantee concerned.

2. The contract shall provide that all payments to the Fund under the contract shall be made in the currency loaned or any convertible currency as may be determined by the Fund.

3. Guarantees by the Fund shall also provide that the Fund may terminate its liability with respect to interest if, upon default by the borrower or any other guarantor, the Fund offers to purchase at par and interest accrued to a date designated in the offer, the bonds or other obligations guaranteed.

4. Whenever the Fund considers it appropriate, it may require as a condition for providing financing that the Regional Member State which is to benefit from such financing or a public agency of the Regional Member State acceptable to the Fund or any State or organization acceptable to the Fund, guarantee the repayment of the principal and the payment of interest and other charges on the loan in accordance with the terms thereof.

ARTICLE 17

Methods of meeting liabilities of the Fund

1. Payments in discharge of the liabilities of the Fund on borrowing or guarantees chargeable to the ordinary capital resources shall be charged first against the Special Reserve and then, to the extent necessary and at the discretion of the Fund, against other reserves, surplus and capital available to the Fund.

2. Whenever necessary to meet contractual payments of interest, other charges or amortisation or borrowings of the Fund in its ordinary operations or to meet its liabilities with respect to similar payments in relation to loans guaranteed by it, chargeable to its ordinary capital resources, the Fund may call an appropriate amount of the uncalled subscribed callable capital in accordance with the provisions of paragraph 6 of Article 6 of this Agreement.

ARTICLE 18

Commissions and fees

1. In addition to interest, the Fund shall charge a commission on direct loans made and guarantees given as part of its ordinary operations. This commission, payable periodically, shall be computed on the amount outstanding on each loan or guarantee and shall be at the rate of not less than one per cent per annum unless the Fund, after the first ten years of its operations, decides to change or abolish this minimum rate by a majority of two-thirds of its members representing not less than three-quarters of the total voting power of the Fund.

2. In guaranteeing a loan as part of its ordinary operations, the Fund shall charge a guarantee fee at a rate determined by the Board of Executive Directors.

3. Other charges of the Fund in its ordinary operations and the commission, fees or other charges in relation to its special operations, shall be determined by the Board of Executive Directors.

ARTICLE 19

Special Reserve

The amount of commission and guarantee fees received by the Fund under the provisions of Article 12 of this Agreement shall be set aside as a Special Reserve which shall be kept for meeting liabilities of the Fund in accordance with the provisions of Article 11 of this Agreement. The Special Reserve shall be held in such liquid form as the Board of Executive Directors may decide.

ARTICLE 20

Convertibility and use of currencies

1. Whenever it shall become necessary under this Agreement to determine whether any currency is convertible, such determination shall be made by the Fund in consultation with the International Monetary Fund or such other body as the Board of Governors shall designate.

2. The Regional Member States and other States which are members of the Fund may not maintain or impose any restrictions on the holding or use by the Fund or by any recipient from the Fund for payments in any country of the following :

(a) currencies received by the Fund in payment of subscriptions to its capital;

(b) currencies purchased with the currencies referred to in sub-paragraph (a) of this paragraph;

(c) currencies received by the Fund by borrowing for inclusion in its ordinary capital resources; and

(d) currencies received by the Fund in payment of principal, interest or other charges in respect of loans and guarantees or in payment of fees in respect of guarantees made and other services rendered by the Fund.

3. The Regional Member States and other States which are members of the Fund, may not maintain or impose any restrictions on the holding or use by the Fund or by any recipient from the Fund, for payments in any country, of currency received by the Fund which does not come within the provisions of paragraph 2 of this Article unless such currency forms part of the resources of the Fund and its use is subject to special regulations.

4. The Regional Member States and other States which are members of the Fund, may not maintain or impose any restrictions on the holding or use by the Fund, for making amortisation payments or for repurchasing in whole or in part the obligations of the Fund of currencies received by the Fund in repayment of direct loans made out of its ordinary capital resources.

ARTICLE 21

Prohibition of political activity and the international character of the Fund

1. The Fund, its Managing Director, Deputy Managing Director, officers and staff shall not interfere in the political affairs of any Regional Member State or any other non-Regional member nor shall they be influenced in their decisions by the political character of any member. Only economic and financial considerations and such objectives as are set out in Article 2 of this Agreement shall be relevant to their decisions; such considerations shall be weighed impartially in order to achieve and carry out the functions of the Fund.

2. The Managing Director, Deputy Managing Director, officers and staff of the Fund, in the discharge of their functions, owe their loyalty entirely to the Fund and to no other authority. Each member of the Fund shall respect the international character of the Fund and shall refrain from all attempts to influence the staff and officers of the Fund in the discharge of their functions.

CHAPTER V

ORGANIZATION AND MANAGEMENT

ARTICLE 22

Organs

The Fund shall have

(a) a Board of Governors;

(b) a Board of Executive Directors;

(c) a Managing Director and Deputy Managing Director;

(d) a Secretariat; and

(e) such other technical and specialized bodies as the Board of Governors or the Board of Executive Directors may deem necessary for the efficient implementation of the provisions of this Agreement.

ARTICLE 23

Board of Governors - composition, functions and procedure

1. Each member of the Fund shall appoint one Governor and one Alternate Governor who shall serve as such at the pleasure of the member of the Fund appointing them. No Alternate Governor may vote except in the absence of his principal. The Board of Governors shall at the beginning of each ordinary meeting, elect one of the Governors as Chairman. The Chairman shall hold office until the next ordinary meeting of the Board of Governors.

2. All the powers of the Fund shall, subject to the provisions of this Agreement, be vested in the Board of Governors. In particular, the Board of Governors shall determine the overall policy of the Fund.

3. The Board of Governors may delegate to the Board of Executive Directors all its powers except its powers to:

(a) determine the overall policy of the Fund;

(b) appoint the Managing Director and Deputy Managing Director;

(c) determine or alter the capital structure of the Fund;

(d) establish, abolish or accept the administration of any special funds;

(e) establish, revise or allocate subscriptions;

(f) amend this Agreement;

(g) approve the balance sheet and statement of income and expenditure of the Fund;

(h) approve the appointment of the auditors of the Fund;

(i) determine the remuneration and other terms and conditions of service of the Executive Directors, Alternate Executive Directors, the Managing Director and the Deputy Managing Director;

(j) authorize the entering into arrangements setting out general areas of co-operation, between the Fund and States and organization within or outside Africa;

(k) decide on the dissolution of the Fund; and

(l) exercise such other powers as are expressly provided for in this Agreement.

4. The Board of Governors shall retain full powers to exercise authority over any matter delegated to the Board of Executive Directors under paragraph 3 of this Article.

5. Governors and Alternate Governors shall serve as such without any remuneration from the Fund, but the Fund may pay them reasonable expenses incurred in attending meetings.

6. The Board of Governors shall meet in ordinary session at least once a year and shall also meet in extraordinary session upon the request by members of the Fund having one-quarter of the total voting power or by the Board of Executive Directors.

7. The quorum of any meeting of the Board of Governors shall be a majority of the Governors having not less than two-thirds of the total voting power.

8. Subject to the provisions of this Agreement, the Board of Governors shall determine its own procedures including the convening of its meetings, for the conduct of business thereat and at other times for the rotation of the office of chairman among its members.

ARTICLE 24

Board of Executive Directors - composition and functions

1. [The Board of Executive Directors shall initially be composed of ---------- Executive Directors who shall not be Governors or Alternate Governors, of which ---------- Executive Directors shall be elected by the Governors of the Regional Member States and ---------- Executive Directors by the Governors of the other members of the Fund. The Executive Directors shall be elected by the Governors in accordance with Schedule B to this Agreement, on Procedures for the Election of Executive Directors].

2. The Governors shall elect for each Executive Director in accordance with Schedule B to this Agreement, an Alternate Executive Director who shall act for his principal when he is not present. Executive Directors and their alternates shall be nationals of the Regional Member States and Non-Regional Member States of the Fund; but no Alternate may be of the same nationality as his Executive Director. An Alternate may participate in meetings of the Board of Executive Directors but may vote only when he is acting in the place of his Executive Director.

3. Executive Directors and Alternate Executive Directors shall be elected for a term of three years only. They shall continue in office until their successors are elected. If the office of Executive Director or Alternate Executive Director becomes vacant more than 90 days before the end of his term, a successor shall be elected in accordance with Schedule B to this Agreement for the remainder of the term by the Governors at the next session of the Board of Governors. While the office of Executive Director remains vacant, the Alternate of the former Executive Director shall exercise the powers of the latter.

4. Without prejudice to the powers of the Board of Governors as provided for in Article 23 of this Agreement, the Board of Executive Directors shall be responsible for the conduct of the general operations of the Fund and for this purpose, shall in addition to the power provided for it expressly in this Agreement and powers delegated to it by the Board of Governors in particular:

(a) appoint such technical or other sub-committees as it deems necessary;

(b) approve the budget of the Fund;

(c) prepare the agenda of the annual meetings of the Board of Governors;

(d) in conformity with the general directives of the Board of Governors, take decisions on particular economic reforms and related stabilisation programmes, the provision of credit facilities, borrowing by the Fund and requests for financing under the various facilities and the general financial services of the Fund;

(e) determine the rates of interest on loans, commissions and fees for guarantees and other financial transactions of a similar kind;

(f) submit the accounts for each financial year and an annual report for approval to the Board of Governors at each annual meeting; and

(g) determine the general structure of the services of the Fund.

ARTICLE 25

Procedure of the Board of Executive Directors

1. The Board of Executive Directors shall function in continuous session at the Principal Offices of the Fund and shall meet as often as the business of the Fund may require 5/.

2. The Managing Director and in his absence the Deputy Managing Director, shall be the Chairman of the Board of Executive Directors. Meetings of the Board of Executive Directors shall be convened by the Managing Director and in his absence by the Deputy Managing Director. Meetings other than ordinary meetings of the Board of Executive Directors shall be convened:

(a) whenever the Managing Director or in his absence the Deputy Managing Director deems it necessary; or

(b) whenever a two-thirds majority of the members of the Board of Executive Directors so request.

5/ Since it is not expected that the Board of Executive Directors would be in continuous session at the Principal Office of the Fund during the early years of the life of the Fund, it may be desirable to consider making the functioning of the Board of Executive Directors in continuous session at the Principal Office of the Fund, subject to the directions of the Board of Governors.

3. The Chairman of the Board of Executive Directors shall have no vote except a deciding or casting vote in the case of an equality of votes.

4. A quorum for any meeting of the Board of Executive Directors shall be a simple majority of the total number of Executive Directors representing not less than two-thirds of the total voting power of the members. Such quorum shall include at least one Executive Director of the members of the Fund other than Regional Member States, and if such an Executive Director is not present at a meeting of the Board of Executive Directors, such quorum requirement may be waived at the next session of the Board of Executive Directors.

ARTICLE 26

Managing Director - Office and Functions

1. The Managing Director and Deputy Managing Director shall each hold office for a period of five years which may be renewed. The Managing Director and the Deputy Managing Director may be removed from office for justifiable reasons, by the Board of Governors.

2. While holding office as such, the Managing Director and the Deputy Managing Director may not be a Governor or an Executive Director or an Alternate for either.

3. The Managing Director shall be chief of the staff of the Fund and shall conduct, under the direction of the Board of Executive Directors, the ordinary business of the Fund. Subject to the general control of the Board of Executive Directors, he shall be responsible for the organization, appointment and dismissal of the staff of the Fund.

4. In appointing the staff of the Fund the Managing Director shall, subject to the paramount importance of securing the highest standards of efficiency and technical competence, pay due regard to the importance of recruiting personnel on as wide a geographical basis as possible, having due regard to the regional character of the Fund and the participation of States other than the Regional Member States, in the Fund.

5. The Managing Director shall be the legal representative of the Fund. The Deputy Managing Director shall act as legal representative of the Fund in the absence of the Managing Director.

6. The Managing Director shall convene and ensure the servicing of all meetings of the Board of Governors, the Board of Executive Directors and the technical and specialized committees of the Fund.

7. The Managing Director shall perform any other functions assigned to him by the Board of Governors or the Board of Executive Directors.

ARTICLE 27

Voting

1. The total voting power of each member of the Fund shall consist of the sum of its basic votes and proportional votes.

2. The basic votes of each member shall consist of such number of votes as results from the equal distribution among all the members of twenty (20) per cent of the aggregate sum of the basic votes and the remaining proportional votes of all the members after deducting twenty per cent.

3. The number of the proportional votes of each member shall be equal to the number of proportional shares of the capital of the Fund held by that member.

4. In voting in the Board of Governors, each Governor shall be entitled to cast the votes of the member he represents. Except as otherwise expressly provided in this Agreement, all matters before the Board of Governors shall be decided by a majority of the voting power represented at the meeting.

5. In voting in the Board of Executive Directors, each Executive Director shall be entitled to cast the number of votes of the members that the Executive Director represents in the Fund which votes need not be cast as a unit. Except as otherwise expressly provided in this Agreement, all matters before the Board of Executive Directors shall be decided by a majority of the voting power represented at the meeting.

ARTICLE 28

Principal Office of the Fund

The Principal Office of the Fund shall be situated at a place to be determined by the Board of Governors. The Fund may establish other offices at such other places as the Board of Governors shall determine.

ARTICLE 29

Channel of communications and depositories

Each Regional Member State and each other State which is a member of the Fund, shall designate its Ministry responsible for finance, Central Bank or such other agency with recognised competence in the field of money and finance to communicate with the Fund in connection with any matter arising under this Agreement and with which the Fund may keep its holdings of currency.

ARTICLE 30

Working Languages

The working languages of the Fund shall be Arabic, English and French.

ARTICLE 31

Accounts and reports

1. The Board of Executive Directors shall ensure that proper accounts and proper records are kept in relation to the operations of the Fund and such accounts shall be audited in respect of each financial year by Auditors appointed by the Board of Governors.

2. The Fund shall prepare and transmit to the Board of Governors and to the members of the Fund, and shall also publish, an annual report containing an audited statement of its accounts.

3. All financial statements of the Fund shall show ordinary operations and the operations of each Special Fund separately.

4. The Fund may also publish such other reports as it considers desirable for achieving its objectives and such reports shall be transmitted to the members of the Fund.

ARTICLE 32

Allocation of net income

The Board of Governors shall determine annually what part of its net income, including net income accruing to its Special Funds, shall be allocated, after making provision for reserve and surplus, to any Special Funds and special purpose grants.

CHAPTER VI

GENERAL OBLIGATIONS OF MEMBERS

ARTICLE 33

General obligations of members

The members of the Fund undertake the obligations set out in this Agreement. In particular the members of the Fund undertake:

(a) to avoid discriminatory currency practices in respect of the currencies of other members;

(b) to furnish the Fund with such information as it deems necessary for its activities; in complying with the provisions of this paragraph, the members of the Fund shall be under no obligation to furnish information in such detail that the affairs of individuals or corporations are disclosed;

(c) to consult among themselves regarding existing international monetary and financial agreements with a view to making such mutually acceptable adjustments as may be necessary.

ARTICLE 34

Obligations of Regional Member States

1. The Regional Member States shall use their best endeavours to direct their economic and financial policies towards the objective of fostering economic integration and co-operation in monetary, financial and fiscal matters.

2. Each Regional Member State shall follow exchange rate policies that are compatible with its economy and those of the other members.

CHAPTER VII
STATUS, IMMUNITIES, PRIVILEGES AND EXEMPTIONS

ARTICLE 35
Status of the Fund

1. To enable the Fund to discharge the functions with which it is entrusted, the status, immunities, exemptions and privileges set forth in this Chaptre shall be accorded to the Fund in the territories of each Regional Member State and other States which are members of the Fund.

2. The Fund shall possess full international juridical personality and in particular, the capacity:

(i) to contract;
(ii) to acquire and dispose of immovable and movable property; and
(iii) to institute legal proceedings.

ARTICLE 36
Immunity from Judicial Process and other Actions

1. The Fund, its property and its assets, wherever located and by whomsoever held, shall enjoy immunity from every form of judicial process except in cases arising out of its borrowing powers when it may be used only in a court of competent jurisdiction in the territory of a member in which the Fund has its Principal Office, or in the territory of a member where it has appointed an agent for the purpose of accepting service or notice of process or has issued or guaranteed securities. No actions shall, however, be brought against members of the Fund or persons acting for or deriving claims from members. 6/

6/ This paragraph is common form and exists in the ADB Agreement and the Charter of the East African Development Bank. The applicable law will depend on what law the related contract stipulates as applicable or in the absence of such stipulation, the principles of private international law shall apply.

2. The property and assets of the Fund, wherever located and by whomsoever held, shall be immune from search, requisition, attachment, execution, confiscation, expropriation, or any other form of seizure by legislative, executive or judicial action.

3. The archives of the Fund shall be inviolable.

4. To the extent necessary to carry out the activities provided for in this Agreement, all the property and assets of the Fund shall be free from restrictions, regulations, controls and moratoria of any nature.

5. The official communications of the Fund shall be accorded by Regional Member States and other States which are members of the Fund, the same treatment as the official communications of each other.

ARTICLE 37

Immunities and privileges of officers and employees

1. All Governors, Executive Directors, Alternates, members of committees, representatives, experts, consultants, advisors of any of the foregoing persons, officers and employees of the Fund:

(i) shall be immune from legal process and arrest with respect to acts performed by them in their official capacity except when the Fund waives this immunity,

(ii) not being local nationals, shall be granted the same immunities from immigration restrictions, alien registration requirements, and national service obligations and the same facilities as regards exchange restrictions as are accorded by members to the representatives, officials, and employees of comparable rank of other Regional Member States or other States which are members of the Fund,

(iii) shall be granted the same treatment in respect of travelling facilities as is accorded by members to representatives, officials, and employees of comparable rank of other Regional Member States or other States which are members of the Fund.

2. The immunities, exemptions and privileges provided for in this Article are granted in the interests of the Fund. The Managing Director shall have the right and duty to waive the immunities set out in this Article in cases where, in his opinion, the immunity would impede the course of justice and can be waived without prejudice to the interests of the Fund.

ARTICLE 36

Exemptions from taxation

(a) The Fund, its assets, property, income and its operations and transactions authorized by this Agreement shall be exempt from all taxation and from all customs duties. The Fund shall also be exempt from liability for the collection or payment of any tax or duty.

(b) No tax shall be levied on or in respect of salaries and emoluments paid by the Fund to Executive Directors, Alternates, officers or employees of the Fund.

(c) No taxation of any kind shall be levied on any obligation or security issued by the Fund, including any interest thereon, by whomsoever held:

(i) which discriminates against such obligation or security solely because of its origin; or

(ii) if the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the Fund.

ARTICLE 39

Application

Each Regional Member State or other State which is a member of the Fund, shall take such action as is necessary in its own territory for the purpose of making effective in terms of its own law the principles set forth in this Chapter and shall inform the Fund of the detailed actions which it has taken.

CHAPTER VIII

CO-OPERATION WITH OTHER ORGANIZATIONS

ARTICLE 40

Co-operation with other institutions

The Fund shall co-operate with other subregional, regional and international institutions which pursue objectives or are engaged in activities similar to those of the Fund.

CHAPTER IX

REGULATIONS

ARTICLE 41

Power to make regulations

Subject to the provisions of this Agreement, the Board of Governors may make such regulations, including financial regulations and limits that may be imposed on the operations of the Fund, being consistent with the provisions of the Agreement, as it considers necessary or appropriate to further the objectives and functions of the Fund.

CHAPTER X
INTERPRETATION AND SETTLEMENT OF DISPUTES

ARTICLE 41
Interpretation

Any question of interpretation or application of the provisions of this Agreement arising between any member and the Fund or between two or more members of the Fund shall be submitted to the Board of Executive Directors for decision. If there is no Executive Director of its nationality on that Board a member particularly affected by the question under consideration shall be entitled to direct representation in such cases. Such right to representation shall be regulated by the Board of Governors.

ARTICLE 42
Settlement of disputes

1. If a dispute shall arise between the Fund and a member or between the Fund and a former member of the Fund, such dispute shall be submitted to arbitration by a tribunal of three arbitrators. One of the arbitrators shall be appointed by the Fund, one by the member or former member concerned and the third, unless the parties otherwise agree, by the Executive Secretary. The third arbitrator shall be empowered to settle all questions of procedure in any case where the parties fail to reach agreement with respect to the procedure to be adopted by them.

2. A majority vote of the arbitrators shall be sufficient to reach a decision which shall be final and binding on the parties and a decision of the arbitrators may include an order as to payment of costs and expenses.

CHAPTER XI

WITHDRAWAL AND SUSPENSION OF MEMBERSHIP

ARTICLE XV

Withdrawal from membership

1. Any member of the Fund wishing to withdraw from the Fund shall give to the Managing Director one year's written notice of its intention to withdraw and at the end of such year shall, if such notice is not withdrawn, cease to be a member of the Fund.

2. During the period of one year referred to in paragraph 1 of this Article, a member of the Fund wishing to withdraw from the Fund shall nevertheless observe the provisions of this Agreement and shall remain liable for the discharge of its obligations under this Agreement.

ARTICLE XVI

Suspension of membership

1. If a member of the Fund fails to fulfill its obligations to the Fund, the Board of Governors may suspend such member by an eighty-five per cent majority of the total voting power of the Fund.

2. The member so suspended shall automatically cease to be a member of the Fund one year from the date of its suspension unless the Board of Governors decides, within that period and by the same majority necessary for suspension, to restore the member to good standing.

3. While under suspension, a member shall not be entitled to exercise any rights under this Agreement but shall remain subject to all its obligations.

ARTICLE 45

Settlement of accounts upon withdrawal or suspension of membership

1. For the purpose of this Article the words "the relevant date" shall mean in respect of any member of the Fund either the date on which that member delivered a notice of withdrawal in accordance with the provisions of Article 44 of this Agreement or, as the case may be, the date on which that member ceased to be a member in accordance with the provisions of Article 45 of this Agreement.

2. After the relevant date, a member of the Fund shall remain liable for any balance required by the Fund to be paid by the member on account of the amount originally subscribed for its shares and for any calls made by the Fund pursuant to the provisions of paragraph 6 of Article 6 of this Agreement in respect of the contingent liability of that member for any calls made by the Fund in respect of that member's shares after the relevant date to meet obligations of the Fund before the relevant date but such member shall not incur liability with respect to loans, guarantees or obligations entered into by the Fund after the relevant date nor shall it share either in the income or the expenses of the Fund after the relevant date.

3. At the time a member ceases to be a member of the Fund, the Fund may arrange for the repurchase of its shares as a part of the settlement of accounts with such member in accordance with the provisions of paragraphs 4 and 5 of this Article. For this purpose, the repurchase price of the shares shall be the amount certified by the auditors appointed in pursuance of the provisions of paragraph 1 of Article 31 of this Agreement, as being the value of the shares as at the date the member ceases to be a member of the Fund.

4. The payment for shares repurchased by the Fund under this Article shall be governed by the following conditions:

(a) any amount due to the member concerned for its shares shall be withheld so long as that member remains liable immediately, in the future or contingently as a borrower or guarantor, to the Fund

and such amount may, at the option of the Fund, be applied on any such liability as it matures. No amount shall be withheld on account of the contingent liability of the member for future calls on its subscription for shares in accordance with the provisions of paragraph 4 of Article 6 of this Agreement. In any event, no amount due to a member for its shares shall be paid until twelve months after the date on which the member ceases to be a member of the Fund.

(b) Payments for shares may be made from time to time, upon their surrender by the member concerned, to the extent by which the amount due as the repurchase price in accordance with paragraph 3 of this Article exceeds the aggregate amount due immediately, in the future or contingent from such member as a borrower from or a guarantor to the Fund as referred to in sub-paragraph (a) of this paragraph, until the former member has received the full repurchase price.

(c) Payments shall be made in such available currencies as the Fund shall determine, taking into account its financial position.

(d) If losses are sustained by the Fund in respect of any financing, guarantee or other undertakings which were outstanding on the date when a member ceased to be a member of the Fund, and the amount of such losses exceeds the amount of any reserve specifically provided against such losses on that date, the member concerned shall repay, upon demand, the amount by which the repurchase price of its shares would have been reduced if the losses had been taken into account when the repurchase price was determined. In addition, the former member shall remain liable on any call for unpaid subscriptions in accordance with the provisions of paragraph 6 of Article 6 of this Agreement to the same extent that it would have been required to respond if the impairment of capital had occurred and the call had been made at the time the repurchase price of its shares was determined.

5. If the Fund terminates its operations in accordance with the provisions of Article 47 of this Agreement within twelve months of the date upon which any member ceases to be a member of the Fund, all rights of the member concerned shall be determined in accordance with the provisions of Articles 47, 48 and 49 of this Agreement. Such member shall be considered as being still a member for the purposes of such Articles but shall have no voting rights.

CHAPTER XII

TERMINATION OF OPERATIONS OF THE FUND

ARTICLE 47

Termination of operations

1. This Agreement shall be of indefinite duration.

2. Notwithstanding the provisions of paragraph 1 of this Article, the Fund may terminate its operations by resolution of the Board of Governors approved by a vote representing not less than eighty-five per cent of the total voting power of the members of the Fund.

3. After the operations of the Fund have been terminated in accordance with the provisions of paragraph 2 of this Article, the Fund shall forthwith cease all activities, except those incidental to the orderly realization, conservation and preservation of its assets and the settlement of its obligations.

ARTICLE 48

Liability of members and payment of claims

1. In the event of the termination of the operations of the Fund, the liability of all members for uncalled subscriptions to the capital of the Fund shall continue until all claims of creditors, including all contingent claims, shall have been discharged.

2. All creditors holding direct claims shall first be paid out of the assets of the Fund and then out of payments to the Fund on calls on unpaid or callable subscriptions. Before making any payments to creditors holding direct claims, the Board of Executive Directors shall make such arrangements as are necessary in its judgment, to ensure a pro rata distribution among holders of direct and contingent claims.

ARTICLE 49

Distribution of assets

1. No distribution of assets shall be made to members of the Fund on account of their subscriptions to the capital of the Fund until all liabilities to creditors shall have been discharged or provided for and any such distribution shall be approved by a vote of the Board of Executive Directors representing not less than eighty-five of the total voting power of the members of the Fund.

2. Any distribution of the assets of the Fund to its members shall be in proportion to the capital held by each member and shall be effected at such times and under such conditions as the Fund shall consider fair and equitable. The shares of the assets distributed need not be uniform as to type of asset. No member shall be entitled to receive its share in such a distribution of assets until it has settled all of its obligations to the Fund.

3. Any member of the Fund receiving assets distributed in pursuance of this Article shall enjoy the same rights with respect to such assets as the Fund enjoyed prior to their distribution.

CHAPTER XIII

AMENDMENTS

ARTICLE 50

Amendment of the Agreement

1. The Agreement may be amended only by the Board of Governors by a two-thirds majority of the total voting power of the Fund.

2. When an amendment has been adopted, the Fund shall certify it in a formal communication addressed to all members. Amendments shall enter into force for all members three calendar months after the month in which such communication is issued, unless the amendment referred to in paragraph 1 of this Article specifies therein a different period.

3. Notwithstanding the provisions of paragraph 1 of this Article, the unanimous agreement of the Board of Governors shall be required for the approval of any amendment of the Agreement modifying:

(a) the right of a member to withdraw from the Fund as provided in Article 44 of this Agreement;

(b) the right to subscribe to capital of the Fund as provided in paragraph 4 of Article 21 of this Agreement; and

(c) the limitation on liability as provided in paragraphs 6 and 7 of Article 5 of this Agreement.

CHAPTER XIV

FINAL PROVISIONS

ARTICLE 51

Entry into force

1. This Agreement shall be open for signature and shall enter into force upon ratification, acceptance, approval or accession by twenty-six independent African States. 8/

2. Any of the States, bodies corporate, enterprises and institutions referred to in paragraph 2 of Article 1 of this Agreement which are desirous of becoming members of the Fund after the coming into force of this Agreement shall submit a request for accession to the Managing Director of the Fund who shall thereafter submit the request to the Board of Governors for approval.

ARTICLE 52

Commencement of operations

1. Upon the entry into force of this Agreement and subject to the requirements of the provisions of paragraph 3 of this Article being met, each member shall appoint a Governor and an Alternate in accordance with the provisions of paragraph 1 of Article 23 of this Agreement and the Executive Secretary shall call the first meeting of the Board of Governors.

8/ If the suggested alternative formulation to paragraphs 2 and 3 of Article 1 is accepted, then paragraph 1 of Article 51 will require amendment accordingly.

2. The meeting referred to in paragraph 1 of this Article shall:

(a) elect the Chairman of the Board of Governors pursuant to the provisions of paragraph 1 of Article 23 of this Agreement;

(b) make arrangements for the appointment of the Managing Director and other core staff of the Fund;

(c) elect the Executive Directors and their Alternates and give such directions to the Board of Executive Directors and other organs of the Fund as are necessary for the expeditious and effective implementation of this Agreement.

3. The Fund shall, however, commence operations only after the first instalment of forty per cent of the paid-in capital of the Fund referred to in paragraph 2 of Article 6 of this Agreement shall have been paid-in and in any case, not later than eighteen (18) months after the entry into force of this Agreement.

4. Where the first instalment of forty per cent of the paid-in capital stock of the Fund is not paid-in by the end of the eighteen months referred to in paragraph 1 of this Article, the Executive Secretary shall call a meeting of the Regional Member States to decide what action shall be taken.

5. The Fund shall notify its members of the date of the commencement of its operations. The Board of Executive Directors shall within one month of the commencement of the operations of the Fund hold its first meeting and:

(a) give all necessary directions to the Managing Director on the implementation of this Agreement; and

(b) do all such other things as may be necessary for the expeditious and effective implementation of this Agreement.

ARTICLE 53

Depositary

1. This Agreement, of which the Arabic, English and French texts are equally authentic, shall be deposited with the Executive Secretary.

2. The Executive Secretary shall transmit certified copies of this Agreement and advice concerning acceptance, approval or accession to this Agreement to the members of the Fund, and to such other international organizations as the Board of Governors shall determine.

DONE at _____ on the _____

day of _____ One Thousand Nine Hundred and Eighty Six

in the Arabic, English and French Languages, all three texts being equally authentic.

IN WITNESS whereof the undersigned have placed their signatures to this Agreement the date and year herebefore written.

Country	Name	Designation	Signature	Date
Algeria				
Angola				
Benin				
Botswana				
Burkina Faso				
Burundi				
Cameroon				
Cape Verde				
Central African Republic				
Chad				
Comoros				
Congo				
Cote d'Ivoire				
Djibouti				
Egypt				
Equatorial Guinea				

Country	Name	Designation	Signature	Date
Ethiopia				
Gabon				
Ghambia				
Ghana				
Guinea				
Guinea Bissau				
Kenya				
Lesotho				
Liberia				
Libya				
Madagascar				
Malawi				
Mali				
Mauritania				
Mauritius				
Morocco				
Mozambique				
Niger				
Nigeria				
Rwanda				
Sao Tome & Principe				
Senegal				
Seychelles				

Country	Name	Designation	Signature	Date
Sierra Leone				
Somalia				
Sudan				
Swaziland				
Tanzania				
Togo				
Tunisia				
Uganda				
Zaire				
Zambia				
Zimbabwe				

SCHEDULE A

ALLOCATION OF SUBSCRIPTIONS

SCHEDULE B

PROCEDURES FOR THE ELECTION OF EXECUTIVE DIRECTORS